



# County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, California 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA  
Chief Executive Officer

November 15, 2010

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To: Supervisor Gloria Molina, Chair  
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Supervisor Don Knabe  
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From: William T Fujioka  
Chief Executive Officer

**MOTION TO PURSUE LEGISLATION TO AUTHORIZE A CONSTITUTIONAL AMENDMENT TO SPECIFY THAT NO MORE THAN 10 PERCENT OF A CHARTER CITY'S OWNED OR CONTROLLED HOUSING COULD BE OCCUPIED BY CITY EMPLOYEES, OR INDIVIDUALS WITH A CONFLICT OF INTEREST (ITEM NO. 5, AGENDA OF NOVEMBER 16, 2010)**

Item No. 5 on the November 16, 2010 Agenda is a motion by Supervisor Molina to direct County legislative advocates to pursue legislation authorizing a Constitutional Amendment that would: 1) specify that no more than 10 percent of a Charter City's owned or controlled housing could be occupied by city employees, or individuals with a conflict of interest; 2) authorize a county or its Community Development Commission to competitively bid the housing units for Charter Cities that exceed the 10 percent threshold; and 3) provide a mechanism to relocate any displaced families or individuals.

According to County Counsel, a Constitutional Amendment would be required to make the proposed changes under the motion. A proposed Constitutional Amendment may be initiated either by a vote of two-thirds of each of the Assembly and the Senate or by a petition initiative certified to have been signed by electors equal to 8 percent of the votes cast for all candidates for Governor at the last election. The proposed Constitutional Amendment must then be submitted to the electors and approved by a majority vote.

County Counsel also indicates that the California Constitution affords Charter Cities almost exclusive control over municipal affairs. Setting the compensation of its employees would fall under municipal affairs, as does the conduct of city elections. Although general law cities are required to conduct a competitive bid process and award to the bidder who offers the greatest economic return to the city, this requirement does

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not apply to Charter Cities, if the city utilizes a procedure as specified by charter or by ordinance in accordance with its charter.

The City of Vernon's General Plan report indicates that there are a total of 31 housing units within the city, 26 of which are owned by the city. According to recent news media reports, the rents for the City-owned housing units range from about \$150 to \$470 per month. Additionally, the City of Vernon's General Plan report states that, since 1980, the resident population has ranged between 77 and 96 persons, with the current population estimated by the city to be 96 persons.

Under the proposed motion, no more than 10 percent of a Charter City's owned or controlled housing could be occupied by city employees, or individuals with a conflict of interest. California Government Code Section 87100, conflict of interest law, states that no public official at any level of state or local government shall make, participate in making or in any way attempt to use his official position to influence a governmental decision in which he knows or has reason to know he has a financial interest.

Authorizing a county or its Community Development Commission to competitively bid the housing units for Charter Cities exceeding the 10 percent occupancy threshold, would raise issues that should be considered, such as the impact to the County's housing programs and funding; the amount of County funding required to administer and competitively bid housing units for Charter Cities over and above the proposed 10 percent threshold; and potential costs and provisions to relocate displaced families or individuals, including the availability of alternative affordable housing.

The Chief Executive Office, County Counsel and the Community Development Commission are further analyzing the County impact of the proposed motion.

There is no existing Board policy to pursue legislation to authorize a Constitutional Amendment to: 1) specify that no more than 10 percent of a Charter City's owned or controlled housing could be occupied by city employees, or individuals with a conflict of interest; 2) authorize a county or its Community Development Commission to competitively bid the housing units for Charter Cities that exceed the 10 percent threshold; and 3) provide a mechanism to relocate any displaced families or individuals. Therefore, support for the proposal is a matter for Board policy determination.

WTF:RA  
OR:RM:er

c: Executive Office, Board of Supervisors  
County Counsel